

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PRE-PROPOSAL CONFERENCE
POST ENDORSEMENT TECHNICAL REVIEWS
FOR THE SANTA ANA HOMEOWNERSHIP CENTER

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4th Floor
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AUDI-X REPORTING (415) 457-4417

APPEARANCES:

For the Panel:

DONNA L. MYLIUS, Contract Specialist
GAY E. JULIAN, Placement Branch Chief
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1 security.

2 And we'll go -- please hold all your
3 questions until the end of the presentation,
4 and then we will answer all questions, or
5 attempt to anyway.

6 If you'll go to Section B, what it --
7 what HUD intends to do is award three contracts
8 for the three geographic areas which is --
9 which are: Area one will cover these states
10 and the areas surrounding them, Anchorage,
11 Alaska; Boise, Idaho; Los Angeles, California;
12 San Diego, California; Seattle, Washington; and
13 Spokane, Washington.

14 Area two will cover Fresno,
15 California; Honolulu, Hawaii; Portland, Oregon;
16 Reno, Nevada; and Santa Ana, California.

17 Area three is going to cover Las
18 Vegas, Nevada; Phoenix, Arizona; Sacramento,
19 California; San Francisco, California; and
20 Tucson, Arizona.

21 Each area has a minimum of 90 reviews,
22 with a maximum of 15,000 reviews per year, with
23 an estimated of 10,000 reviews per year for the
24 base year, with four -- four year -- four
25 option years.

1 And now I would like to introduce
2 Penny Schell, and she will discuss Section C,
3 the Statement of Work.

4 MS. SCHELL: Like Donna, I'd like to
5 thank everyone for coming, and we're glad --
6 always glad to see you in the HOC.

7 I'd like to say that Carol Meiries and
8 I are both chiefs of Mortgage Credit, in the
9 Processing and Underwriting Division. Tom Rose
10 has now joined us. He's a deputy director in
11 REO. And I think that covers the -- the HUD
12 staff that is here now.

13 Before I get into the Section C, I'd
14 like to make a couple of comments about the DE
15 Program. When the DE Program went into effect,
16 it changed the way HUD looked at the loans.
17 Instead of looking at each loan individually
18 and saying whether it's insurable, we gave that
19 right to the lenders, and our role changed.

20 And when the role changed, we became
21 responsible for doing quality assurance or
22 quality checks on samplings of loans to make
23 sure that we were getting quality loans from
24 the lenders.

25 The mission of -- that we have is to

1 provide insurance for single family home loans,
2 and you all know that, I'm sure, by now. We
3 are, in Processing and Underwriting, the first
4 line of action in monitoring those loans to
5 make sure that the public is protected, that
6 our insurance fund is protected, and our
7 monitoring is very very important.

8 The monitoring that we do
9 accomplishes, I think, four issues, and it's
10 critical that we are successful in our
11 monitoring and that we get quality loans.

12 The first thing that I think is a huge
13 issue that in our monitoring and in our
14 reviews, we find where we need to communicate
15 better with lenders, with the public, with
16 homeowners, where -- where we identify
17 weaknesses in our communication, where training
18 might be needed, where things may have fallen
19 through the tracks. So monitoring points those
20 things out to us.

21 It also -- the -- the reviews that we
22 do, the technical reviews that are done tell us
23 whether the risk in the loan is an acceptable
24 risk and whether it is insurable. This is part
25 of our, HUD's, fiduciary responsibility. We

1 just can't assume that every loan that -- if we
2 had no controls, that every loan that came
3 through the doors would -- would meet the
4 qualifications that make it an acceptable risk.
5 So we have a fiduciary responsibility to the
6 insurance fund, and the technical review, post-
7 endorsement technical review process helps
8 us -- tasks us with making sure that we're
9 meeting that responsibility.

10 It also assures us that we have a
11 level playing field for all participants, that
12 the standards that are out there for everyone
13 are being accepted and utilized by everyone,
14 and we find that our post-endorsement technical
15 reviews give us that picture, help us maintain
16 that equality for borrowers and lenders.

17 If we have a lender who follows all
18 the rules and does it by the book, it isn't a
19 fair playing field if we don't identify those
20 or try to identify those that perhaps are
21 not -- who are taking advantage of this new
22 freedom that they have in the Direct
23 Endorsement Program.

24 Mostly, I think our task is to protect
25 the borrowers and first-time home buyers. Our

1 clients, our borrowers, are the under-served
2 and the majority unsophisticated borrowers, and
3 our programs are geared for them. They're
4 wonderful. They afford them wonderful
5 opportunities. But, if they are abused, they
6 can create havoc with unsophisticated people,
7 and we don't want to set people up for failure.

8 And so our monitoring, our post-
9 endorsement technical reviews, it gives us the
10 information we need to fulfill these
11 obligations. We've recognized how important
12 this post-endorsement technical review process
13 is, and we have -- we're resoliciting because
14 we've come to realize how we need to pay
15 attention to these factors, to these reviews,
16 and to be very very clear in this process.

17 And we intend to take a very aggressive
18 stance in monitoring the contract.

19 Section C is the guts of the workings
20 of what the contractor will do in the reviews,
21 and I'm not going to cover it line by line.
22 You couldn't stand it, and neither could I.
23 But you can read it. The terminology should be
24 fairly familiar to you, to your companies.
25 There are a few things that I am going to go

1 over and mention.

2 The first one, under C-2, AUS,
3 Automated Underwriting Systems. Well, just in
4 the last two years since the HOC started and
5 since most of the contracts that are in
6 existence with the other HOC's, this is a huge
7 new item. So it is up to the contractor to
8 now become familiar with those systems and the
9 documentation, the user guides and so forth,
10 that go with those systems. They are a whole
11 new element. They are easier in documentation,
12 a little bit different. And it will be up to
13 the contractor -- and it's stated in here -- to
14 be familiar with the user guides for each of
15 the systems that HUD approves.

16 You say, "Well, perhaps this is
17 unknown." There will probably be new systems
18 approved. And, as they are approved, just like
19 new mortgagee letters, new -- new programs, the
20 contractor will be responsible for picking up
21 that information and being able to review those
22 files in terms of the requirements of the user
23 guide for the new systems.

24 I'm not going to go over any of the
25 other definitions.

1 Under the description and
2 specifications of the Work Statement:

3 "The contractor shall perform
4 post-endorsement reviews of
5 selected DE cases which have
6 been submitted to the HOC for
7 mortgage insurance. The
8 review shall include an
9 evaluation of all closing,
10 architectural and engineering,
11 appraisal, and mortgage credit
12 documents submitted in the
13 case binder for insurance."

14 And this includes documents that
15 should have been included. I think the most
16 critical thing that I want to tell you today
17 and go over with you today are the next two
18 items.

19 On the bottom of page five:

20 "All individuals performing
21 appraisal valuation reviews
22 shall be appraisers licensed
23 in the state in which they
24 physically perform the review
25 and shall have passed the FHA

1 approved exam."

2 They do not have to be registered on
3 the new register, but they do have to have
4 passed the new exam. This is critical because
5 there is a brand new handbook. There is a
6 brand new appraisal handbook, a whole new set
7 of guidelines for the appraisal and the
8 appraisal package, and it is absolutely
9 critical that the appraiser who does the
10 reviews on the files be well versed in all the
11 new documents, all the new instructions and the
12 new handbook and the new processing for
13 appraisal.

14 So they must have passed the exam as
15 well, and they must be licensed appraisers.

16 "All individuals performing
17 mortgage credit reviews shall
18 have three years underwriting
19 experience and one FHA
20 underwriting -- one year FHA
21 underwriting experience in the
22 last three years."

23 Ratings and reportings. I think I'm
24 going to mention here the bottom half of the
25 first paragraph. In the future, the contractor

1 will be required to submit reports and forms
2 electronically. That will probably happen by
3 the time this is awarded.

4 So, when we wrote the Statement of
5 Work, this was in process, and we're coming
6 consistent with all the four HOC's in the use
7 of this, but there will be required electronic
8 submission of the reports and forms.

9 Under two:

10 "Contractor shall have a clear
11 understanding of the rating,
12 rating codes, their
13 application and use."

14 The references are all given here. I
15 want to point out that when you're doing -- the
16 contractors are doing their -- their reports,
17 that any rating that is therefore a required
18 comment. There is a required comment.

19 Now, we've attached a sample of
20 comments. That doesn't mean you have to use
21 those comments. We wanted just to put out
22 something that would let you know it has to be
23 legible. It has to make sense. It has to
24 have a beginning and an end. We would like
25 complete sentences, not paragraphs.

1 But it has to relate to -- directly to
2 what the error is or the issue is. Not clear
3 doesn't help us very much or, you know, it has
4 to be specific, and we have -- an underwriter
5 got so fed up, she sat down and wrote a whole
6 bunch of sample comments that she would like to
7 see used. However, they are not required.
8 They are only to give you an idea of how you
9 might structure your comments.

10 Under the full detailed review:

11 "Contractor shall be held
12 responsible for reviewing
13 every document in the file and
14 verifying the accuracy of the
15 information as it relates to
16 the full detailed review."

17 Discrepancies must be noted, whether
18 they are discrepancies, as it says, between the
19 debts on the credit report and the debts on the
20 application. Whatever the discrepancies are,
21 they should be noted. You may find
22 discrepancies in the appraisal. You may find
23 discrepancies on the McCall to the note and
24 mortgage. Discrepancies, things that don't
25 match up require an explanation.

1 Now, you may in the file find waivers
2 or explanations by the underwriter, and they
3 may be acceptable, but you will have to note
4 the discrepancy and say underwriter explains
5 this and that you feel that's acceptable or you
6 can make a comment that you don't. But
7 discrepancies of any sort should be noted in
8 your reviews. We want simple, clear, and
9 concise comments.

10 An A and E review is required -- on
11 page eight:

12 "An A and E review is required
13 on all new construction of one
14 to four family properties,
15 manufactured housing,
16 substantial rehabilitation,
17 203K loan."

18 New construction is defined for you.
19 And when you get a new construction, you are to
20 review it in terms of these requirements. They
21 are different than the requirements for
22 existing construction.

23 On page 11, I've already touched on
24 this, review of appraiser. There is a new
25 handbook. There are new standards, and there

1 is a new emphasis by HUD on monitoring the
2 appraisers and appraisals.

3 We have found that much of the heart
4 of fraud that we find when we do find it
5 centers on, around or in or with an appraiser
6 or an appraisal. And this new handbook is
7 critical, and we feel it's critical that the
8 appraisers who do the reviews need to be up to
9 date and aware and -- and on the ball. And we
10 will be monitoring very heavily the -- all the
11 reviews that are done and particularly in the
12 quality of the appraiser and the appraisal.

13 The CVP is a new term, the
14 Comprehensive Valuation Package. This is new
15 to -- may be new to many of you. It's
16 described here, what it consists of. There are
17 new documents that are required. It's
18 important that the contractor be familiar with
19 those documents and that they be in the file
20 when required and properly addressed and filled
21 out, and you will need to be reviewing for
22 those.

23 The appraisal report on page 12, I
24 think it's -- if we run through that,
25 everything in here is a handbook requirement,

1 is something that we will be looking for, that
2 you will be required to ascertain if it's
3 applicable that it's in the file, it's properly
4 filled out and signed.

5 So the fact that I'm not reading
6 everything doesn't mean, "Oh, we don't have to
7 do it." But I'm trying to point out some of
8 these issues that are important and maybe will
9 trigger you as you read this to help you
10 understand some of it and what's involved.

11 On the appraisal report, the (a) --
12 the (a) through (h) are really fundamental to
13 an appraisal review, and I think you need to
14 read those carefully, and you need to be sure
15 your underwriter who does the val review
16 understands them and that your appraiser is
17 well versed in -- not these. These are still
18 fundamentals for an appraiser. They should be
19 like A, B, and C. And if you have an
20 appraiser who doesn't understand those, you
21 need to be thinking of educating them or
22 looking for a new appraisal -- appraiser.

23 Review of the underwriter valuation --
24 and this is -- an underwriter is ultimately
25 responsible for the file and whether it's

1 insurable. They sign off and certify for this
2 file, and I will put a caveat in here because,
3 as you read, there are some exceptions to that
4 with automated underwriting. But someone
5 certifies them -- generally it's the
6 underwriter -- that the file meets all the
7 required standards, documentation, et cetera.
8 And it is up to the underwriter to review the
9 appraisal, to see that it is basically sound,
10 and it outlines, again, here what the
11 underwriter should look for.

12 One issue I'm going to point out, just
13 because we seem to have had a lot of discussion
14 about it recently:

15 "The contractor shall review
16 the file for foundation
17 certification from licensed
18 professional engineers on
19 manufactured housing
20 properties."

21 That's in the new handbook, and some
22 of these issues are very specific, and we will
23 be expecting them, requiring them to be in the
24 files. And, as reviewers, it will be up to
25 you to make sure that they are in the files

1 that you review.

2 The review of the underwriter,
3 Mortgage Credit, shall include evaluating the
4 credit risk of the borrowers, using the
5 guidelines that are found in our handbooks.
6 You must -- the reviewer -- Mortgage Credit
7 reviewer must review the accuracy of the items
8 and the calculations that are found on the
9 McCall and the other applicable documents.

10 A written separate analysis by the
11 contractor shall be completed and retained in
12 the case binder for all calculations, and this
13 will allow, when we do our quality control
14 checks of the work in our monitoring, to see
15 how you came up with any discrepancies or any
16 comments or any -- any ratings that you -- how
17 you made your ratings and evaluation of the
18 file.

19 On -- again, I want to point out on
20 the automated underwriting systems, there are
21 reduced documentations, and the contractor will
22 be responsible for knowing those and checking
23 for the reduced documentation, that it is the
24 correct documentation and that it is accurately
25 portrayed.

1 One of the new things that I hope that
2 you are or will be aware of is that there is a
3 statutory requirement that the borrower make a
4 three percent investment in the property. And,
5 therefore, it now becomes very critical that
6 the reviewer and the contractor understand the
7 closing costs that are used. Many of the
8 closing costs can be used for part of this
9 statutory investment. Very often, unallowed
10 closing costs or costs are included in -- in
11 the figures. And, if they are, you have to
12 delete out. And, therefore, if you find in
13 your calculations, in your review that the
14 statutory investment has not been made, then
15 this certainly impacts the rating that you
16 would give the underwriter.

17 But there is a very definite onus on
18 us to be sure that we meet that statutory
19 requirement and that the reviewers understand
20 it and understand what goes into figuring
21 the -- the required amount, three percent
22 amount.

23 On automated underwriting files, it
24 will be absolutely critical that the contractor
25 review the file for the accuracy of the

1 information that is used to give the credit
2 waivers, the loan amount calculation, interest
3 rate, the borrower's reserves, the debts, and
4 the income of the borrower. It will be
5 critical that the reviewer substantiate that
6 the -- the income that is used -- input into
7 the system, into the computer, is the income
8 that the borrower actually has, that the debts
9 are the -- are all covered, all included, and
10 that if they use assets on the computer input,
11 data input, that the assets are truly verified
12 and are accurate.

13 These figures make all the difference
14 in the world because, once it says accept, it's
15 an accept as far as the credit risk goes. If
16 they monkey around with the debt figure and
17 don't include all the debts or they don't have
18 quite the assets they claim they have or et
19 cetera, then it makes a difference. And we
20 can't tell you how that computer juggles those
21 figures, but it is imperative that they be
22 verified and be accurate, and the reviewer, the
23 contractor will be responsible for making sure
24 that those are accurate.

25 On refinances, you will be required to

1 check the validity of the three calculations
2 and understand them.

3 Under debt, page 16, any collection
4 accounts that show up on the credit reports
5 should be addressed by the lender, and they can
6 be addressed in different ways and be
7 acceptable. They can have a payment assigned
8 to them and be included in the debt structure.
9 There can be explanations that are acceptable,
10 any number of ways, but any collection debts
11 must be addressed. And information and
12 guidelines on those are in mortgagee letters
13 and in the handbooks.

14 This is not an easy process that, slam
15 dunk, you look for a few pages, a few
16 signatures. There are some in depth -- you are
17 going to have to be creating the same kind of
18 story framework that a good underwriter has to
19 create in order to say that this was a good
20 decision by the underwriter.

21 Certain documents, if they're missing
22 certain information, is an automatic poor. But
23 there can be additional things wrong. If you
24 come to one thing that's an automatic poor, do
25 not stop your review because there may be more

1 critical things that will lead to other issues
2 that we need to address.

3 CALurs, I'm sure everybody -- CALurs
4 are our credit -- credit alert. That's an
5 automated system, must be showed up the LEP,
6 List of Excluded Parties. There must be a
7 statement on the McCall that they checked them
8 and it's clear or they must attach the pages
9 for all parties that show they're clear.

10 You will be required to understand the
11 time frames for bankruptcies and foreclosures
12 in terms of whether the loan is insurable or
13 not. If they've gone ahead and sent the loan
14 in and it's been insured and there's a
15 bankruptcy, foreclosure, the reviewer will need
16 to look for the waiver documentation that
17 allows for exceptions. These are based in the
18 handbook.

19 Social security numbers must be
20 verified. Must have a social security number
21 to get an FHA loan. If the borrower is a non-
22 permanent resident alien, the file must contain
23 evidence of the borrower's eligibility to work.

24 Gay, did you want me to go over the
25 date?

1 MS. JULIAN: Would you like me to go
2 over this insurance, the government insurance?

3 MS. SCHELL: Well, did you want me to
4 do that or --

5 MS. JULIAN: I can do that for you.

6 MS. SCHELL: I mean, I -- I was
7 unclear I guess --

8 MS. JULIAN: Okay.

9 MS. SCHELL: -- on that -- on the
10 contract oversight and the -- I've touched on
11 only highlights, but I think what I really
12 wanted everyone to understand is that this is
13 important to us, that this is not a slam dunk
14 job, that it takes experienced people and
15 trained people to do a good job, and that there
16 is a lot of stake -- a lot at stake for HUD in
17 getting these reviews performed in an adequate
18 and acceptable manner.

19 MS. JULIAN: My name is Gay Julian.
20 I'm the contracting officer. I'll be the one
21 awarding this contract or the two contracts or
22 the three contracts, whichever we or whatever
23 we end up awarding.

24 And part of this solicitation includes
25 a government quality assurance paragraph. And

1 what Penny is speaking about, how important
2 this is to us, we have included the quality
3 assurance, what we expect from you.

4 And what this says is that we, the
5 government, will be doing random sampling of
6 your work. And we expect a 90 percent
7 performance rate, effective rate. Anything --
8 anything under that is unacceptable to us.

9 So we are going to do it on a monthly
10 basis, and what we plan to do in the random
11 sampling, we'll always do five percent. We'll
12 never do anything other than five percent. And
13 if there is a failure rate, we're going to
14 start deducting from your pay. If a failure
15 rate is anything below 90 percent, your -- your
16 invoicing will be deducted.

17 And, if you look very carefully at
18 paragraph two on page 19 of the solicitation,
19 it says that HUD has established an acceptable
20 performance level of 90 percent. This means
21 that if the error rate determined through the
22 review -- and this is the random sampling, the
23 five percent that we're going to do -- is less
24 than 10 percent, the contractor will -- if it's
25 10 percent, the contractor will receive their

1 full payment. But if it is other than 10
2 percent, we're going to start deducting. We're
3 going to reduce your payment by one and a half
4 times the percent of the unacceptable work.

5 So what it's saying, if 12 percent of
6 the work is unacceptable, then we're going to
7 deduct your invoice by 18 percent. And the
8 government can elect to do a random sampling of
9 more than five percent. They can do six
10 percent or whatever, but they'll never do
11 anything other than -- anything less than five
12 percent.

13 If this -- if these errors continue
14 and continue and continue, we're not going to
15 just stop at -- stop at deducting your pay.
16 We're going to have to look at taking other
17 contract actions such as, you know, maybe
18 sending cure notices to you or show cause
19 notices to you. It may even result in a
20 termination of the contract because we're not
21 just going to let this continue, think, "Well,
22 you know, this -- an 89 percent error rate, one
23 percent is okay. I can continue doing this
24 over and over again." No, you can't. We're
25 not -- we're not going to allow that to

1 continue. So we'll have to look at other
2 alternatives available to us.

3 But what -- what this also says on
4 paragraph seven is that you may be -- the
5 contractor may be required to attend
6 performance meetings on a quarterly basis and
7 maybe monthly during the first three months, so
8 that everyone can talk about -- the GTR, the
9 contracting officer, the contractor, can talk
10 about what's going on, why is this happening,
11 is there some miscommunication that you're not
12 getting to us or we're not getting to you to
13 cause all the -- all these error rates.

14 But this is something that's very near
15 and dear to everyone's heart, specifically in
16 government now, is that contracts contain a
17 quality assurance plan so you know what we're
18 looking at and you know that we're doing the
19 random sampling, and we're out there to make
20 our program work and that we want good
21 contractors that will do the job that we're
22 paying for.

23 So it will be there. Take the time to
24 read especially this so that you know that this
25 is in here and this is what we're going to be

1 doing and what we're going to be looking at.

2 I'm going to turn the floor back over
3 to Donna to continue going through some more of
4 the solicitation.

5 MS. MYLIUS: Thank you.

6 I'm just going to highlight or go over
7 the major points that I think that might be
8 advantageous for you to give a second look to,
9 starting with Section F, the contract period.

10 "The contract performance will
11 begin on the effective date of
12 the contract and shall
13 continue for a base period of
14 one year. This period may be
15 extended for four additional
16 one-year options."

17 Section G, Contract Administration
18 Data, the invoice due date and requirements:

19 "On the 10th calendar day of
20 each month, submit an invoice
21 for the work completed for the
22 previous month to the GTR and
23 to the -- and a copy to the
24 contracting officer."

25 The contract shall -- the contractor

1 shall submit original and one copy of the SF
2 1034 to -- one to the Santa Ana office, to
3 Penny, and one to Nancy Collett in the Denver
4 office.

5 And in Section H, Conflict of
6 Interest:

7 "The contractor shall not
8 review cases from any mortgage
9 company which employs the
10 contractor or any of the
11 contractor's employees or
12 immediate relatives or for
13 which the contractor performs
14 consulting services. Should
15 the contractor be assigned to
16 any cases which result in an
17 actual or potential conflict
18 of interest, the contractor
19 shall take no action on the
20 case but shall refer it
21 immediately to the GTR for
22 reassignment. Violation of
23 this clause is grounds for
24 termination for default and
25 denial of all payments."

1 In Section I, list of the contract
2 clauses that pertain to this section are in
3 full context and in by reference. It is the
4 contractor's responsibility to make sure they
5 know what the clauses in by reference are and
6 what they mean.

7 MS. JULIAN: The ordering clause that
8 you find on page 27, there are two ordering
9 clauses. One tells you how you're going to get
10 the assignments. It tells that if the
11 assignments are mailed -- if mailed, a delivery
12 order or task order is considered issued and
13 that the government -- or when the government
14 deposits it in the mail.

15 I know that this contains specific
16 requirements on how the orders are going to be
17 issued, but this is a FAR clause that's
18 required.

19 The one that you have to take -- pay
20 particular attention to is the order limitation
21 clause. That's in there for the contractor's
22 protection, and this tells the minimum number
23 and the maximum number of cases that a
24 contractor or the government can give the
25 contractor in a specific time frame, and this

1 specific time frame is 30 business days.

2 If you receive more than the maximum
3 number listed here in that specific time frame,
4 you have two choices, either you take them and
5 do them or you turn them back. But this is --
6 this is here to protect you, so that the
7 government doesn't dump a whole bunch of cases
8 on you and expect you to have them done in a
9 certain amount of time and then you fail, and
10 then we just say, "Well, you're failing. We're
11 terminating you."

12 If you accept them, you've accepted
13 them. If you fail, then, you know, that is a
14 problem that you need to -- to think about.
15 But this one is in here for you. So know what
16 this specific clause says that you're supposed
17 to get on a monthly basis. And, like I said,
18 this one is within 30 business days.

19 So, you know, look at what this says.
20 And if you know that you can't do it within
21 that amount of time and you've been given more
22 than you're supposed to, then either take them
23 or turn them back, but -- but watch this
24 specific clause.

25 MS. MYLIUS: Okay. In Section J for

1 the attachments, all attachments are available
2 on HUDCLIPS, and that address is
3 HTTP:\\WWW.HUDCLIPS.ORG, and that's where you
4 can find all those.

5 MS. JULIAN: It's in there. Just read
6 it.

7 MS. MYLIUS: It's in there. And for
8 Section J, there are some certifications and
9 representations that you have to fill out.
10 There's a few that I'd like to just highlight.

11 For the taxpayer's identification or
12 your TIN number, that's very important to us.
13 And the certification for small business
14 program representation, that needs to be
15 completed -- filled out completely. And some
16 of that has changed due to the hub zone, and
17 you can read through that and see if you
18 qualify to be considered for a hub zone -- as
19 a hub zone.

20 And, let's see, the Dunn's number,
21 this is probably one of the most important
22 numbers that you'll have working with HUD at
23 this time because this is how they process
24 their pay. It's like the -- it would probably
25 be like your account number to us. So -- and

1 if you don't have a HUD -- a Dunn and
2 Bradstreet number, you can call this number,
3 and you can -- they'll give you one. They'll
4 give you one actually over the phone with just
5 your business information, and that number is
6 1-800-234-DUNS or DUNS.

7 That's all I have, and now I'm going
8 to turn it back over to Gay Julian, and she's
9 going to cover Section L and M.

10 MS. JULIAN: Before I start with L and
11 M, I do want to stress Section K, how important
12 it is to fill out correctly, because this is a
13 100 percent set aside for a small business.

14 I have on occasion had a contractor or
15 an incumbent contractor who has filled out this
16 section wrong, and they have certified
17 themselves as a large business. I don't know
18 during the course of the contract with us if
19 maybe they become a large business, but I
20 presume that they probably still are a small
21 business, but I don't question it. And so if
22 you fill out incorrectly and certify that
23 you're a large business, I'll throw your
24 proposal out and say they've certified as a
25 large business. Therefore, I won't look at it.

1 So be very very careful because this
2 does happen on occasion where we will have
3 someone that will say that they are -- they'll
4 fill it out incorrectly, and -- and I don't
5 question it. The only time I'll question it is
6 if you certify that you are a small business
7 and through some research, which I go into Dunn
8 and Bradstreet and research, if you have a
9 Dunn's number and there's information on you,
10 I'll research that to see if you actually are a
11 small business. And on occasion, I have had
12 people that have certified they are small
13 businesses, and through researching Dunn and
14 Bradstreet, I have found out that they are not
15 small businesses, that they are actually large
16 businesses, and then I file a protest with SBA,
17 and SBA will either back me up or they will
18 agree with me. And then, if they agree with
19 me, your proposal will be thrown out.

20 So I just want you to be very careful,
21 be aware of what goes on. And, like I said, I
22 generally -- I generally don't question your
23 certifications unless -- and especially if you
24 certify that you're a large business. I go,
25 "Well, you know, they obviously didn't read

1 this was a 100 percent set aside."

2 Section L and M is very dear to my
3 heart. It causes me the most -- the most
4 sleepless nights with contractors that are --
5 or offerors that file lots and lots of protests
6 with the agency and with the Government
7 Accounting Office.

8 So I want to talk about this, and I
9 want to make sure that you guys understand how
10 important Section L and M is. This is
11 really -- this is the most important pre-award
12 phase, one of the most important pre-award
13 phases that you can ever get yourself into.

14 Section L is the instructions,
15 conditions, and notices to the offerors. This
16 one is telling you how you're supposed to
17 submit your proposal. This is a request for
18 proposal. That means you have to submit a
19 proposal. You have to submit a proposal.

20 And if you look on page 41 of the
21 solicitation, it tells you the proposal must be
22 in two parts. The first part is the technical
23 part, the technical and management proposal.
24 The second part is the business proposal.

25 The -- the technical proposal and the

1 management proposal have to be submitted
2 separately so that the panel that we have
3 reading the proposals, they can evaluate your
4 technical proposal on its own merit.

5 The technical proposal is limited to
6 50 pages. If you make it 51 pages and the
7 most important thing you want to tell me is on
8 the 51st page, it won't get read. Only the
9 first 50 pages will be read. So make sure
10 that whatever you tell us in the first 50 pages
11 is what you want to tell us. And it's very
12 specific here. You can't -- on the pitch you
13 need to have. It can't be five pitch so that
14 we need a magnifying glass so that you can get
15 all the information in. It has to be -- it's
16 50 pages, and it tells the -- the 12 pitch,
17 and it tells the size of the paper. So make
18 sure you read that carefully.

19 Your proposals must contain enough
20 information to allow a thorough examination.
21 Don't be too elaborate. Don't be too general,
22 and don't put in there things like we know, we
23 understand, we'll do what you tell us, because
24 we'll say, "Well, that's unsubstantiated," and
25 we'll throw that out and say, "This is

1 technically unacceptable to us."

2 One of the things that I want to
3 caution all of you on is that there may be
4 lots of people on Penny's staff that know all
5 of you people in here. There may be people on
6 the panel that are going to review the -- these
7 proposals that know every one of you in here,
8 but they can only evaluate you on the written
9 word. So if you think, "Well, gosh, they're
10 going to recognize my name. They know me, so
11 I don't have any problem," not true. They can
12 only evaluate you on what you have written in
13 this proposal.

14 The technical and management proposal
15 is -- there are four factors that you have to
16 respond to, prior experience, management and
17 oversight capability, and technical
18 understanding and past performance. Those are
19 the four factors that you're going to have to
20 respond to, and you'll see in Section M what
21 you have to say in your proposal to respond to
22 prior -- to respond to each one of them.

23 Section -- excuse me. The business
24 proposal is the part where you give us your
25 price, you fill out your refs and certs, and

1 you give us your -- we're asking for some type
2 of -- of cost data. And what that is is you
3 have to show us how you derived at your price
4 because we need to know that your price is fair
5 and reasonable.

6 Now, the government is not always
7 right in their estimate, their government
8 estimate. We've put one together, but we're
9 not always right. And we see -- sometimes we
10 see prices that are extremely low, and we see
11 prices that are extremely high, and we have no
12 idea how you even got to that place.

13 So if you'd provide us some type of
14 costing data, like indirect costs and where you
15 got to that price, we'll do what's called a
16 cost realism, and we'll look at everything, and
17 there may be something that we didn't consider
18 when we were doing ours or there may be
19 something in there that we'll say "This person
20 is doing this with the president of the company
21 when this is really -- the people that they're
22 using to perform this really aren't necessary
23 or perhaps the people that they're using to
24 perform are people that they shouldn't be using
25 to perform the work."

1 So there are lots of things that we
2 look at if we can't understand where you came
3 from, where you got your price from. So that's
4 why we're asking you to submit sufficient
5 supporting cost information to enable the
6 government to determine that the offer has a
7 complete understanding of what it is you're
8 supposed to do.

9 And there are some forms that are
10 attached to the solicitation that we've asked
11 you to fill out, specifically Contractor Price
12 Evaluation Work Sheet.

13 Now, we have supplied you in Section B
14 with estimates on what we think is going to be
15 assigned. We did a new minimums that we think
16 are going to be assigned, maximums, and then
17 estimated number that we think we're going to
18 assign. That's only an estimate. We can't
19 promise you that that number will be met. And
20 so we want you to realize that and think about
21 this, that this is not that -- that 10,000 per
22 year is not a guarantee. It's just our best
23 estimate.

24 Let's look at Section M. The source
25 selection method that we are using is called a

1 conventional source selection method. It's a
2 best-value analysis. And what we have done is
3 we have taken a pass/fail type of source
4 selection and a tradeoff type of source
5 selection and put them together in one. And so
6 what has happened is that we have two factors
7 that are going to be rated on pass/fail. That
8 is the prior experience and the management and
9 oversight. Those two we're going to -- the
10 panel will read first. And if you fail on one
11 of those factors, you fail on the whole thing,
12 and your proposal will not be evaluated
13 further. If you are found technically
14 acceptable on both of those factors, then the
15 panel will rate you on the other two factors
16 which is technical understanding and past
17 performance.

18 If the panel finds you on the first
19 two factors technically unacceptable but
20 capable of being made acceptable, the panel
21 will then rate you on the next two factors.
22 But if on any of those first two -- on the
23 first two you are found technically
24 unacceptable, you will not be reviewed further.
25 So you need to supply the information that

1 these factors are asking you for on the first
2 two factors.

3 Now I want to elaborate just a little
4 bit further. We have said that it's our intent
5 to make an award without discussions. So, even
6 though you may be found technically
7 unacceptable but capable of being made
8 acceptable, if the government had discussions,
9 you may never get that far because it's our
10 intent to award without discussions. So, if
11 there's anyone else out there that has been
12 found technically acceptable, then we'll go to
13 award.

14 Also, if we decide that -- if the
15 contracting officer -- if I decide that
16 discussions are necessary, it doesn't mean that
17 everyone that has been found technically
18 unacceptable but capable of being made
19 acceptable through discussions will get to have
20 discussions because what I'll do is I'll look
21 at the proposals. I'll look at the ratings.
22 I'll look at the prices, and I'll do a
23 competitive range determination. And if I
24 can't figure out why your price is way up here
25 because you didn't supply me any information

1 and I can't figure out why your price was way
2 down here and you didn't supply me with any
3 information, more than likely I'll throw you
4 out and say you're not the most highly rated
5 because your price is way way out there.

6 And so I will make a competitive range
7 determination of those that are technically
8 unacceptable but capable and that their prices
9 are pretty much in line with the government
10 estimate, are pretty close, or else they -- or
11 else the proposal has shown why their price is
12 way out there. And I think that through
13 discussions, maybe we can come to an
14 understanding on price so I can give you a
15 second chance to -- to explain some more on
16 your price or change your price. But I want
17 you to be very aware that, one, we do not
18 intend to have discussions. But if we do, if
19 you have been found technically unacceptable
20 but capable of being made through discussions,
21 that doesn't mean that you will get a second
22 chance.

23 So the thing that I'm trying to stress
24 is do your best first because you may not get
25 a second chance.

1 Then that -- the first two are the
2 price -- are the pass/fail portion. Now comes
3 the tradeoff. When the panel evaluates your
4 technical understanding and your past
5 performance, they evaluate you based on whether
6 you have an exceptional technical
7 understanding, an exceptional past performance,
8 low, whatever, and what kind of risk you pose
9 to the government.

10 If they feel that you have a
11 satisfactory or a low understanding and you
12 present a high risk to the government, then you
13 may not be considered further. So, again, you
14 have to give enough information to show that
15 you do not present a risk to the government.

16 Then what happens is that the
17 government takes all of those that -- that have
18 been rated let's say technically acceptable,
19 and those -- they look at the past performance
20 and the technical understanding, and they look
21 at -- well, they pass on here what's their risk
22 here. And you may have presented -- you may
23 have presented something with the lowest price,
24 but, remember, this is not a lowest-price award
25 type of procurement.

1 We may award to someone that has a
2 higher price because they present a lower risk
3 to the government based on their past
4 performance and their technical understanding.

5 So this is not a lowest-price type of
6 procurement. So, again, make sure that when
7 you are writing up your proposals that you
8 supply the information that is required by the
9 criteria.

10 Now, if -- if I decide that
11 discussions are necessary, what I will do is I
12 will send you out a letter with all of the
13 concerns, whether they're concerns on prior
14 experience, whether they're concerns on -- on
15 technical understanding, whether they're
16 concerns on past performance. That is if I've
17 decided that you are in the competitive range.
18 And I will ask you to submit what's called a
19 final proposal revision, and I will only give
20 you a certain number of days to submit that.

21 The panel will reconvene and then say,
22 "Did they answer their concerns?" The panel
23 will issue to me a final report, and I will
24 review it, and I'll make my decision. But,
25 again, I'll stress this over and over again,

1 put your best foot forward first. You know,
2 make sure that first proposal that -- that you
3 put out is the best that you can do and it has
4 all the information because you may not ever
5 get a second chance. All right.

6 Okay. Let's turn to page 45 for those
7 of you that have your solicitations in front of
8 you. These are what the technical factors are,
9 and they're listed on the -- starting on page
10 45 with prior experience. It tells you what
11 kind of prior experience that you need to show
12 in your proposal.

13 Make sure that your proposals -- the
14 information is stated fully, clearly, and
15 completely. Make sure that the -- when the
16 panel -- when you think the panel is reading
17 it, this panel says, "Man, I have -- this is
18 so good that, I mean, this person has put
19 everything in here that I need to know to find
20 them technically acceptable." Make sure that
21 you provide every -- all the information you
22 possibly can within your 50-page limit.

23 One of the things that I want to
24 express, too, is that prior experience and past
25 performance is not the same thing. Prior

1 experience means you did the job before. Past
2 performance means how you did the job. And
3 sometimes people get confused. They think,
4 "Well, I had the prior experience. So why
5 don't I have the technical understanding? Why
6 don't I have the management capabilities? Why
7 don't I have the past performance?"

8 Doesn't work. You can have the prior
9 experience, but that does not mean that you
10 know how to do all the rest. So you have to
11 tell them that you know how to do all of this.
12 Those two things are not the same things, and a
13 lot of people get confused. They think that
14 they are the same, but they're not.

15 What I would like to do now is open
16 this up to discussions, but before I do, I want
17 to make sure that -- to assist our court
18 recorder, if we would have one person ask a
19 question at a time, and we will have
20 microphones so that you can speak into. Please
21 give your name so that she can have it for her
22 report.

23 What we plan to do is post this -- the
24 minutes of this meeting on our Internet site
25 sometime next week so that you will have access

1 to it, so that you can read it, all right.
2 And this is your chance to ask questions. We
3 do not intend to ask -- answer anymore
4 questions. So if you have some, ask them now,
5 and we'll try to answer them to the best of
6 our ability.

7 MR. SLAYTON: My name is Ben Slayton,
8 S-as in Sam-L-A-Y-T-O-N. My question is you
9 had mentioned that the payment voucher should
10 be submitted within 10 days after the end of
11 the month. My question is how many days
12 thereafter could we expect payment from the
13 government?

14 MS. JULIAN: Your contract is on
15 what's called -- and it's part of Section I.
16 There's a prompt-payment clause, and that means
17 that we have 30 days to make the payment.

18 Now, I want to caution you is that,
19 even though we have 30 days to make the
20 payment, the office that makes the payment --
21 payment, which is Cash Management in
22 Headquarters, probably will not issue your
23 check until the 30th day, hopefully. But
24 that -- if this was not a prompt payment, you
25 would probably have the check within a couple

1 of days. But, because this is prompt payment,
2 notoriously they issue the check on the 30th
3 day, after -- and let me go back -- after
4 acceptance of your invoice.

5 If your invoice has been filled out
6 incorrectly and is sent to our Cash Management
7 and they say that we filled -- it's been filled
8 out wrong, they will send it back and say you
9 have to fill it out. So it's at the -- it's
10 30 days after acceptance of a proper invoice.

11 MR. FIELDS: Earl Fields. To
12 piggyback on that question, when does the
13 penalty start from the standpoint of the
14 government, in the event that an acceptable
15 invoice has been submitted and has not been
16 paid within the 30 days? That's my first
17 question.

18 MS. JULIAN: What we have agreed to is
19 that if we assess a penalty on this particular
20 invoice or this particular order, it will not
21 be assessed until the subsequent invoice. Does
22 that make sense?

23 MR. FIELDS: Yeah, I follow you. But
24 I was talking about the penalty that's owed to
25 the contractor by the government in the event

1 that payment is not made within the 30-day
2 period.

3 MS. JULIAN: Well, that -- that's a
4 good question, and that goes back to -- and
5 something I really don't want to get into here
6 is our Cash Management System. We don't do
7 payments here. The payments are made by our
8 Cash Management System in Headquarters, and
9 they would have to do the penalty. So that I
10 can't answer and how -- how their operation
11 works and how they -- they put the prompt-
12 payment penalties on invoices or -- that --
13 that's a question I can't answer right now for
14 you.

15 MR. FIELDS: Can I go to my second
16 question? The A and E packages are projected
17 at 10 percent. That was across the board in
18 terms of the workload. Do you have any idea
19 whether or not each -- whether or not there are
20 major differences in any of the areas as it
21 relates to the number of new -- the amount of
22 new construction that would generate that kind
23 of activity?

24 MS. SCHELL: This is Judy Hughes of
25 our staff technical branch, came in to help us.

1 MS. HUGHES: I'm Judy Hughes, H-U-G-H-
2 E-S.
3 Earl, explain that just once again.
4 MR. FIELDS: The -- the --
5 MS. HUGHES: The A and E --
6 MR. FIELDS: The proposals talks about
7 roughly a 10 percent across the board would
8 be -- would require --
9 MS. HUGHES: I would say that's a very
10 good estimate.
11 MR. FIELDS: -- would be new
12 construction.
13 MS. HUGHES: Right.
14 MR. FIELDS: Now, you have three
15 different areas, and I'm curious as to whether
16 or not there's a higher percentage of new
17 construction expected in one versus another,
18 because that makes a difference in terms of --
19 MS. HUGHES: In the areas, you're
20 talking about in California versus Arizona?
21 MR. FIELDS: Well --
22 MS. HUGHES: I'm not familiar with the
23 areas.
24 MR. FIELDS: Okay. The three areas --
25 MS. HUGHES: And I don't have any

1 numbers for you at this point.

2 MR. FIELDS: Okay.

3 MS. HUGHES: But I think, basically,
4 they're -- they're the same. They would be the
5 same, Las Vegas -- do I give him a number? I
6 mean, I --

7 MR. FIELDS: I don't need a number. I
8 was just getting an idea whether or not --

9 MS. HUGHES: I would just say area
10 three. I'm -- area three. It's going to be
11 area three.

12 MR. FIELDS: -- there is a -- because
13 that will affect --

14 MS. HUGHES: Area three.

15 MR. FIELDS: That will affect how your
16 cost --

17 MS. HUGHES: That's absolutely
18 correct. Area three would have the highest at
19 this point.

20 MS. SCHELL: But that could change. I
21 mean --

22 MS. HUGHES: Right, and that's an
23 opinion.

24 MS. SPIES: Anett Spies, and it's
25 spelled S-as in Sam-P-as in paper-I-E-S. My

1 question regarding electronic submission of
2 reports and forms, is E-mail acceptable or does
3 it need to be in some other fashion?

4 MS. SCHELL: We don't have the system
5 here yet. My understanding is that it will be
6 an E-mail attachment. The forms will have to
7 be filled out on the computer and then
8 attached, but we will have that information on
9 the web I think by next week probably.
10 Philadelphia has it, and we're refining their
11 system or -- so --

12 MR. FIELDS: Must capacity be
13 demonstrated at time of submission of the
14 proposal?

15 MS. SCHELL: I would say if you
16 guarantee capacity, you'll be held to that
17 guarantee.

18 MS. JULIAN: The proposal has the
19 management and oversight capability. And if
20 you read that proposal, it talks about that you
21 have to show that you have sufficient key
22 personnel to be able to handle the workload and
23 handle the capacity. It asks -- that's one of
24 the specific things.

25 If you look at the beginning, the

1 quality -- the quality control plan that you're
2 asked to submit, there are certain things that
3 if you look at the -- the second factor, it
4 talks about the sufficient key personnel
5 portion of it. I think that probably addresses
6 that there.

7 MR. FIELDS: It basically indicated
8 that it would be necessary at some future
9 point. I'm -- my question was whether or not
10 it would be advisable to demonstrate that
11 capacity at the proposal stage?

12 MS. JULIAN: Yes, yes, correct.

13 MS. ALEXANDER: The name is Wanda
14 Alexander, A-L-E-X-A-N-D-E-R. I have a
15 question about the signatures for the
16 appraisers. What is the impetus for requiring
17 a original signature? Can they be electronic
18 or is this based on use requirements or -- I
19 just want to know the impetus for that.

20 MS. SCHELL: This is -- again, I think
21 the answer will really be on the web, because
22 we haven't seen the system, but at some point
23 there'll -- I'm sure there'll be a
24 certification, that if it's electronically
25 submitted with -- with someone's signature,

1 that you'll be certifying that --

2 MS. ALEXANDER: So electronic is
3 possible, electronic signature?

4 MS. SCHELL: Yes.

5 MS. ALEXANDER: Okay.

6 MS. JULIAN: Any other questions?

7 MR. GREEN: David Green, G-R-E-E-N.

8 What is the approximate award date and --
9 during this process. When do you expect to
10 award the contract?

11 MS. JULIAN: We expect award of this
12 contract by the end of September. There's a
13 few processes that we have to go through, the
14 evaluation process and whatnot, but we expect
15 award by the end of September.

16 MR. GREEN: I don't know how the other
17 companies are, but I know that we work with a
18 lot of independent contractors or people in on
19 for project basis. I know that in submitting
20 key staff with the experience levels, what we
21 may submit by August 14th on a proposal could
22 change by an award date. How will that affect
23 the proposal?

24 MS. JULIAN: Well, it may affect the
25 proposal because you have to establish in your

1 package your key personnel, and if -- if we --
2 if the panel and the government has rated you
3 on the key personnel that you propose and then
4 you don't have that key personnel when it comes
5 time for award, that presents a problem.

6 One of the other things that I want
7 you to be cautioned on is the use of
8 subcontractors. I know that some of you might
9 have subcontractors out there that you use, and
10 that also has to be reflected in your proposal
11 because subcontractors come and go, and they
12 have other projects that they work on. And so
13 we need to know that if you're using some
14 subcontractors, that you watch or tell us about
15 the multiple use of these, that it won't
16 conflict with this contract and cause a
17 performance problem.

18 Also, one of the things I want you to
19 be very aware of is that there's a FAR clause
20 in this solicitation, especially since this is
21 100 percent set aside for small businesses,
22 that there's a clause called "Limitation on
23 Subcontractors." And I would ask you to read
24 that because it limits the percentage of
25 subcontractors that you can use as a small

1 business because, if you're a small business,
2 you shouldn't be subcontracting everything out.

3 So look at that clause, and make sure
4 that, you know, your use isn't conflicting with
5 that clause. And then, also, make sure that
6 you say something about it in the management
7 and oversight that talks about multiple use of
8 resources because that's what we look at when
9 we read a proposal. If the proposal talks
10 about use of subcontractors a lot and -- and
11 the proposal doesn't say anything about that
12 there might be some conflicts with using these
13 and that these conflicts might present a
14 performance problem, then we -- we have
15 problems with that.

16 MR. GREEN: My concern was -- is the
17 fact that there's a lot of difference between
18 900 loans and 10,000 loans.

19 MS. JULIAN: Right.

20 MR. GREEN: Or 900 loans and 30,000
21 loans, and that's a huge multiple --

22 MS. JULIAN: I understand.

23 MR. GREEN: -- body swing, especially
24 for DE, FHA qualified underwriters.

25 MS. JULIAN: I understand.

1 MR. GREEN: That's a major swing.

2 MS. WATERMAN: My name is Marion
3 Waterman. On the appraisals that you're
4 reviewing --

5 THE REPORTER: Is it spelled like --

6 MS. WATERMAN: I'm sorry. W-A-T-E-R-
7 M-A-N.

8 THE REPORTER: Thank you.

9 MS. WATERMAN: You're welcome. The
10 review of the appraisal, is that just like a
11 desktop review or is that like in the past
12 we've done field reviews? So is it just a
13 desktop review?

14 MS. SCHELL: Yes, no field reviews.

15 MS. WATERMAN: Okay. And, also, then
16 in verifying all the underwriting and the
17 credit, that's just what's in the package? If
18 it's not there, you don't have to go dig it up
19 or --

20 MS. SCHELL: It's what's submitted for
21 insurance.

22 MS. WATERMAN: It's what's submitted.

23 MS. SCHELL: In the insuring binder.

24 MS. ALEXANDER: Wanda Alexander. I
25 have two questions. You had mentioned earlier

1 about the three percent calculation. Do you
2 want to see that in only your fair and poor
3 ratings or do you want to see that in each and
4 every file, because when you review a file, you
5 redo the three percent calculation? Do you
6 want to see it in each file or only in those
7 where we disagree with it?

8 MS. SCHELL: We're saying you need to
9 check it on every file, and all your
10 calculations should be in the file. So, yes,
11 it should be in the file.

12 MS. JULIAN: You had another question?

13 MS. ALEXANDER: And my second question
14 is about the acceptable performance level
15 which, you know, I really like that program,
16 but I also know that in starting a new proposal
17 with any contractor, there is a level of
18 subjectivity when you look at these files. And
19 you all say there are going to be meetings the
20 first three months to talk about what works and
21 what doesn't, because once you go from good to
22 fair and fair to poor, there is some
23 subjectivity that's there. Is there going to
24 be any grace period for when you implement that
25 APL?

1 MS. JULIAN: What we're talking about
2 right now is perhaps a 90-day grace period so
3 that -- so that you can all come to terms on
4 what you expect of each other. That hasn't
5 been defined in the Statement of Work, but
6 that's something that we're considering right
7 now. And if we do that, it would be a change
8 to the Statement of Work, and we would issue it
9 on our Internet site as an amendment.

10 But the way that it's reading right
11 now, there is no grace period. So, in the
12 event that that's something that has not been
13 changed or will not be changed, you need to
14 consider that what is written in this Statement
15 of Work is what you have to abide by and that
16 there will be no grace period.

17 MR. FIELDS: On page six --

18 THE REPORTER: Could you state your
19 name.

20 MR. FIELDS: Earl Fields. I'm sorry.
21 Earl Fields. On page six, you make reference
22 to a full detailed review. Are we to assume
23 that that applies in every case, for every
24 case?

25 MS. SCHELL: Yes.

1 MR. FIELDS: Yes?

2 MS. SCHELL: Yes.

3 MR. FIELDS: And, secondly, with
4 respect to page 29, "No diversion without a GTR
5 consent," can you expand on that, please?

6 MS. JULIAN: Well, the GTR is the
7 Government Technical Representative, and that's
8 generally someone from Penny's staff, either
9 Penny or Carol or Judy, someone from her staff.
10 So that would have to -- the consent would have
11 to come from that GTR that is named for your
12 contract. That's a person that you're going to
13 be dealing with because that's a person that
14 has the technical knowledge of how this -- how
15 this particular portion of it is supposed to
16 work.

17 MR. FIELDS: Is the contractor, thus,
18 required to report every move within its --
19 within its organization that affects the
20 process of this contract?

21 MS. JULIAN: To the GTR. Now, if
22 there are contractual things that you don't
23 understand, for example, something that has to
24 do with maybe the ordering clause or the FAR
25 clauses or the packaging, anything like that

1 you can talk to the contracting officer on
2 that.

3 The way -- the way our office is laid
4 out is that I -- I'm branch chief of our
5 placement branch in Denver, and when I am
6 finished awarding the contract, I turn it over
7 to our administration branch, and we have an
8 administration team that all they do is
9 administer contracts. All my team does is put
10 contracts in place. So you will have two
11 people really assigned to you. You will have a
12 Government Technical Representative, which
13 really talks to you about Section C, which is
14 the Statement of Work, that portion of it. And
15 then you will have a contract specialist
16 assigned to you that will help you through all
17 the other contractual things that go on with
18 your contract.

19 Does that answer your question?

20 (Inaudible response.)

21 MS. ALEXANDER: Wanda Alexander. On
22 page 24, G-5, you talk about confirmation of
23 ordered cases, and I want to just make sure
24 that we're understanding that correctly.

25 It says that when you submit your

1 deliverables back, you list the cases that have
2 been performed, what's been performed up to
3 that date. And that -- I want to make sure
4 I'm understanding that. That doesn't mean we
5 have to list every case that's been done since
6 inception or do we just send back --

7 MS. JULIAN: On what page is it, G-5?

8 MS. ALEXANDER: Yeah, it's G-5. I
9 think I said page 24. I just lost it.

10 UNIDENTIFIED SPEAKER: Yes, the bottom
11 of page 24.

12 MS. ALEXANDER: Bottom of page 24. I
13 just wanted some clarification on that.

14 MS. JULIAN: I think that this has to
15 do with all the cases that -- that you
16 submit -- that you are submitting the invoice
17 for.

18 MS. ALEXANDER: Only for that
19 particular invoice?

20 MS. JULIAN: Yes.

21 MS. ALEXANDER: Okay.

22 MS. JULIAN: Yes.

23 MS. ALEXANDER: All right.

24 MS. JULIAN: Yeah, because hopefully
25 you've done the -- presented the others on

1 another invoice.

2 MS. ALEXANDER: Exactly. But the way
3 it reads, it seems like you have to keep track
4 of everything you've done and -- okay.

5 MS. JULIAN: No. It's just for that
6 particular invoice.

7 MS. ALEXANDER: Okay.

8 MS. JULIAN: Any other questions?
9 Okay. If there are no other questions, we
10 thank you all for coming. Again, we plan to
11 post the minutes of this meeting on the --
12 excuse me.

13 MR. MENDEZ: And I wasn't here the
14 whole time, but -- I'm Danny Mendez, by the
15 way, with -- Danny Mendez, D-A-N-N-Y M-E-N-D-E-
16 Z -- M-O-U-S-E -- no, just kidding -- I'm the
17 director of the Processing and Underwriting
18 Division here. But the one thing that I'm not
19 sure that it was covered earlier, but if you
20 have further questions regarding this
21 solicitation, they need to go to Contracting,
22 correct?

23 MS. JULIAN: Yeah, we've already
24 discussed that.

25 MR. MENDEZ: Okay.

1 MS. JULIAN: And I told them there
2 would be no further questions. I told them
3 their chance was here and if they didn't take
4 it, they were out of luck.

5 All right. Again, we thank you all
6 for coming. We do plan to post this on the
7 Internet, the minutes of this meeting on the
8 Internet sometime next week.

9 Always watch the Internet site because
10 there are changes that do happen, and we will
11 post those changes as an amendment. So, if you
12 don't keep checking, then you may miss out on
13 an amendment, and amendments always need to
14 come with a solicitation. You need to certify
15 somewhere that -- acknowledge somewhere that
16 you got the amendment, either on the face of
17 the Standard Form 33 by sending by sending the
18 amendment back signed or by letter. So,
19 occasionally people do not keep checking the
20 site and miss some amendments that are issued.

21 MS. MYLIUS: We had some people that
22 came in late. I'd appreciate if you could come
23 in -- come up and sign out -- sign that --
24 sign in so you can --

25 (Whereupon, at 11:20 a.m., the

1 conference was adjourned.)